of China and the Ministry of Petroleum and Natural Gas of the Republic of India was signed on 12th January, 2006, which *inter-alia* envisages encouraging cooperation between the companies and research institutions of both countries on enhancing exchange and communication in areas such as Coal Bed Methane (CBM), Underground Coal Gasification (UCG) and gas hydrates. Both CBM and UCG provide for technologies for obtaining gas from coal. It is also envisaged to encourage bilateral cooperative relationship in the hydrocarbon sector, including in the areas of crude oil trade and transportation by the companies and organization of both countries and to study developments of Asian crude oil and oil products market and measures to stabilize the Asian oil market, with the aim of enhancing the influence of both nations in the world crude oil pricing mechanism and promoting a stable supply and demand mechanism in the Asian energy market.

Consumption of petroleum products

4056. SHRI JANARDHANA POOJARY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the domestic production, import and internal consumption of petroleum and allied products in the country during the last five years; year-wise and product-wise;

(b) whether it is a fact that prices of crude oil is increasing in the international market;

(c) if so, the details in this regard;

(d) whether Government are considering to hike the prices of petroleum, LPG, diesel, kerosene, etc., to compensate the increased outflow of exchange on import of these products; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The details of domestic production, import and internal consumption of petroleum and allied products in the country during the last five years, year-wise and product-wise are given in the enclosed statement.

(b) and (c) Yes, Sir. The global prices of crude oil and petroleum products have been making new highs in the past two years. The

international prices continue to spiral upwards unabated with Indian basket of crude oil having touched an all-time high of $71.13 per bbl on 2nd May 2006. this steep increase in prices is having major impact on the Oil Marketing Companies (OMCs) and the Indian economy. The trend of increase in the international crude oil prices is tabulated below:

Period	Crude Oil (Indian Basket) $/bbl
March' 2002	23.31
2002-03	26.65
2003-04	27.97
2004-05	39.21
2005-06	55.72
2006-07 (Upto 15th May 2006)	67.63

(d) and (e) Notwithstanding the steep rise in international prices of sensitive petroleum products, Oil Marketing Companies were modulating the price increase in petrol & diesel also besides maintaining the prices of subsidized products like domestic LPG & PDS Kerosene, in consultation with the Government. In consequence, they have suffered under-recoveries on sale of these products. Therefore, Government, in June 2004, elucidated the principles which would govern its policy of containing the burden of increase in international prices on consumers of these sensitive petroleum products. It was decided that the burden should be equitably shared by consumers, the Government and the oil companies. Accordingly, from 2003-04 onwards, Government introduced the subsidy sharing mechanism in which, after taking into account the subsidy provided for from the fiscal budget, the balance is shared by the upstream and the downstream companies equitably. During the financial year 2005-06, in addition to the subsidy, Government issued interest-bearing oil bonds worth Rs. 11,500 crores to oil marketing companies for losses suffered by them in marketing sensitive petroleum products.

In order to formulate a long-term pricing policy in respect of petroleum products, the Government had constituted an Inter-Ministerial Committee under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic

Advisory Council to the Prime Minister to examine different aspects of pricing and taxation of petroleum products with a view to stabilizing/ rationalizing their prices, keeping in view the financial position of the oil companies, the investment needed in the sector, the need to conserve petroleum products, and establishing a transparent mechanism for the autonomous adjustment of prices by the oil companies. The Committee submitted its report on 17.2.2006. The report of the Committee is being examined by Government. Government is also closely monitoring the prices of sensitive petroleum products.

Statement

Details of Domestic Production Import and Internal consumption of Petroleum and Allied Products in the country

DOMESTIC PRODUCTION

(Figures in TMT)

Product	2001-02	2002-03	2003-04	2004-05	2005-06(Provi.)
LPG	6992	7288	7651	7817	7717
MS	9702	10363	11211	11058	10508
Naphtha	10843	11310	12641	15796	16016
ATF	2586	3022	4302	5197	6219
SKO	9911	10204	10148	9207	9026
HSD	39944	40254	43129	46081	47730
LDO	1691	2049	1628	1385	944
Lubes	0652	683	666	646	676
FO	7490	7692	9102	10580	10314
LSHS	4738	4613	4608	4235	3804
Bitumen	2561	2942	3379	3347	3575
Others	7233	8254	9176	7400	7515
TOTAL:	104343	108674	117641	122749	124044

IMPORT

(Figures in TMT)

Product	2001-02	2003-03	2003-04	2004-05	2005-06 (Provi.)
Propane	-	-	450	588	357
LPG	659	1073	1708	2334	2719
Petrol	-	-	-	233	485
Naphtha	3308	2784	2371	2214	2473
SKO	391	698	804	210	880
ATF	2	2	2	3	2
HSD	31	106	100	814	733
Fuel Oil	1425	1256	953	741	789
LUBES	326	340	612	557	1220
CBFS	-	-	148	191	29
RPO/OTHERS	-	-	11	11	161
LSWR	552	964	775	845	601
Bitumen	-	-	6	21	15
COKE	-	-	-	44	912
Parafin/Wax	-	-	61	-	262
MTBE	-	-	-	22	40
TOTAL:	6703	7223	8001	8828	11677

INTERNAL CONSUMPTION

(Figures in TMT)

Product	2001-02	2003-03	2003-04	2004-05	2005-06 (Provi.)
LPG	7728	8351	9305	10245	•10304
MS	7011	7570	7897	8251	8648
Naphtha	11755	11962	11868	13993	12262
ATF	2263	2271	2484	2813	3299

Product	2001-02	2003-03	2003-04	2004-05	2005-06(Prov)
SKO	10431	10404	10230	9395	9359
HSD	36546	36645	37074	39650	40152
LDO	1592	2064	1619	1477	885
Lubes	1137	1250	1427	1336	2104
FO/LSHS	12982	12738	12945	13540	12733
Bitumen	2584	2986	3373	3340	3515
Others	6402	7885	9529	7596	8659
TOTAL:	100432	104126	107751	111634	111920

Funding for Pipeline Project

4057. SHRIDARA SINGH:
SHRI RAMDASAGARWAL:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether India and Pakistan have agreed to get the $4.2 billion Iran gas pipeline take off beginning next year;

(b) whether any cut off date fixed for this 2700 kilometre pipeline project;

(c) by when techno-economic feasibility reports as well as detailed project reports likely to be submitted to Government; and

(d) whether any funding arrangements for proposed Iran gas pipeline has so far been worked out alongwith details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) Iran-Pakistan-India (IPI) Gas Pipeline Project envisages a pipeline of about 2000 kilometres length from Assaluyeh in Iran to the India-Pakistan border. The Government is discussing the details of the project with the Government of Iran and Pakistan at bilateral and trilateral levels. So far, three meeting each of the bilateral joint working groups and one meeting of the trilateral